

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6307

BILL NUMBER: SB 320

NOTE PREPARED: Nov 12, 2020

BILL AMENDED:

SUBJECT: Eligibility for Resident Tuition Rate.

FIRST AUTHOR: Sen. Niezgodski

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill provides that an individual who meets certain conditions is eligible for the resident tuition rate as determined by the State Educational Institution (SEI). It requires the Commission for Higher Education (CHE) to prescribe the form of the affidavit an individual must file to be eligible for the resident tuition rate. The bill provides that an agency or political subdivision is not required to verify that an individual is a United States citizen or qualified alien for the individual to be eligible to pay the resident tuition rate. It also repeals a provision that provides that an individual who is not lawfully in the United States is not eligible to pay the resident tuition rate.

Effective Date: July 1, 2021.

Explanation of State Expenditures: *SEIs:* Under the current higher education funding formula, changes to enrollment could affect higher education appropriations in future bienniums. The impact is probably minor and would depend on the higher education formula used in the future. *[SEIs receive state funding through General Fund appropriations.]*

CHE: Prescribing the form of the affidavit that an individual must file to be eligible for the resident tuition rate may increase agency workload, but should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Additional Information - State operating support for SEIs is composed of base funding and performance funding. Appropriations for base funding reflect historical changes in student enrollment and account for the majority of state funding for SEIs. Funding for performance metrics is based on a six-year period, composed of three-year rolling averages to measure the changes. Thus, the impact of this bill on state appropriations

is expected to be minor and would not begin to occur until after the FY 2022-2023 biennial budget. Additionally, any impact this bill may have on SEIs in the future will depend on the formula in existence at the time. The higher education operating budget for FY 2020 was approximately \$1.4 B.

Explanation of State Revenues: SEIs could experience changes in enrollment which could impact tuition fee revenue. This bill could decrease tuition revenue for SEIs received from nonresidents. However, these losses would likely be offset somewhat due to increased enrollment from newly eligible students able to pay the resident rate. The full impact depends on the administrative decisions of SEIs if enrollments are at capacity. The difference in resident and nonresident tuition rates for full-time students for the 2019-2020 academic year ranged from \$4,161 to \$25,565 depending on the SEI.

Additional Information - This bill applies to immigrant students who have attended a high school in Indiana for at least two years and graduated from an Indiana high school or received the equivalent of a high school diploma in Indiana.

The current number of undocumented students is unknown. The Migration Policy Institute estimated 8,870 individuals in Indiana were eligible for the Deferred Action for Childhood Arrivals (DACA) program in Indiana as of March 2020, and an estimated 1,350 enrolled in post-secondary institutions (public and/or private) as of 2017. Undocumented students are not eligible for federal student aid such as Pell Grants and subsidized loans or for Indiana's state financial aid programs. Enrollment changes are also impacted to a greater extent by future economic, population, and migration trends.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Commission for Higher Education; State Educational Institutions.

Local Agencies Affected:

Information Sources: National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS);
PEW Research Center, <https://www.pewresearch.org/hispanic/interactives/unauthorized-trends/>;
Migration Policy Institute,
<https://www.migrationpolicy.org/programs/data-hub/deferred-action-childhood-arrivals-daca-profiles>,
<https://www.migrationpolicy.org/research/profile-current-daca-recipients-education-industry-and-occupation>.

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